LONG TERM CARE OFFICES

Casa Grande
500 North Florence Street
Casa Grande, AZ 85222
(520) 421-1500
(520) 836-6828 - fax

Chinle
PO Box 1942
Chinle, AZ 86503
(928) 674-5439
(888) 800-3804 – toll free
(928) 674-5494 –fax

Cottonwood
One North Main Street
Cottonwood, AZ 86326
(928) 634-8101
(928) 634-8007 – fax

Flagstaff
3480 East Route 66
Flagstaff, AZ 86004
(928) 527-4104
(800) 540-5042 – toll free
(928) 527-1686 – fax

Glendale
2830 West Glendale Ave.
Suites 8, 19, & 34
Glendale, AZ 85051
(602) 417-6000
(602) 417-6154 – fax

Globe/Miami
2250 Highway 60, Suite H
Miami, AZ 85539-9700
(928) 425-3165
(888) 425-3165 –toll free
(928) 425-7316 – fax

Kingman
519 East Beale Street, Suite 150
Kingman, AZ 86401
(928) 753-2828
(888) 300-8348 – toll free
(928) 753- 6995 – fax

Lake Havasu City
285 S. Lake Havasu Ave., Suite A
Lake Havasu City, AZ 86403
(928) 453-5100
(800) 654-2076 – toll free
(928) 453-6057 – fax

Mesa
460 North Mesa Drive, Suite 101
Mesa, AZ 85201
(602) 417-6400
(480) 644-0878 – fax

Phoenix South
700 East Jefferson
Phoenix, AZ 85034
(602) 417-6600
(602) 417-6650 – fax

Prescott
1570 Willow Creek Road
Prescott, AZ 86301
(928) 778-3968
(888) 778-5600 – toll free
(928) 778-1232 – fax

Show Low
580 E. Old Linden Road, Suite 3
Show Low, AZ 85901
(928) 537-1515
(877) 537-1515 – toll free
(928) 537-1822 – fax

Sierra Vista
484 East Wilcox Drive
Sierra Vista, AZ 85635
(520) 459-7050
(520) 459-0702 – fax

Tucson
110 South Church Ave, Suite 5132
Tucson, AZ 85701
(520) 205-8600
(800) 824-2656 – toll free
(520) 205-8709 – fax

Yuma
3850 West 16th Street, Suite B
Yuma, AZ 85364
(928) 782-0776
(928) 782-2894 – fax

Public Information Brochure

Transfers

AHCCCS

Arizona Health Care Cost Containment System

Policy Information Related to Arizona

Long Term Care Eligibility

DE-818 (Rev. 1/07)

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- Your total income or countable resources would have been below the appropriate standard at all times from the month of transfer through the present month, even if the transferred income or resource had been retained (this does not include the transfer of home property, however).

- A court-ordered the transfer and provided you, your spouse, or any person acting on behalf of you or your spouse took no action to influence the court to order the transfer.

3. Return of Transferred Asset

If you rebut the penalty period because the transferred asset is returned to you, the uncompensated value is reduced by the value of the item returned as of the date of return. The penalty period will terminate the month in which the transferred income or resources were returned, provided there is no uncompensated value remaining from another transfer. The returned income or resource is evaluated as of the month of return. You must provide evidence of the return (for example, the notarized property deed showing you as owner, registered after the initial transfer.

FAIR HEARING RIGHTS

When you submit an application to the Arizona Long Term Care Office, a determination is made on your eligibility for medical and/or long-term care benefits. You have the right to request a hearing on any action or inaction by AHCCCS on your application. Your hearing will be heard by an Administrative Law Judge and a decision will be issued by the Director of AHCCCS. It is your right to bring an attorney or any other person to the hearing. You may also review your case file before the hearing. The notice you receive concerning the eligibility determination will explain your hearing rights in more detail.

If you have questions on your particular situation please contact your local ALTCS office for more information. The addresses and phone number for these offices are found on the following page.

You must submit all pertinent documents which will corroborate your written statement, such as the following:

- Legal documents.
- Realtor agreements.
- Relevant correspondence.
- Written statement from other individuals, if appropriate.

1. Intent to Dispose of Asset at Current Market Value (CMV)

If you claim you intended to dispose of the asset at CMV your written statement must include:

- Your attempts to dispose of the asset at current market value;
- The reasons you accepted less than the current market value for the asset;
- The means of or plans for your self-support after the transfer;
- Your relationship, if any, to the person to whom the income or resource was transferred; and,

2. Resources Were Transferred Exclusively for a Purpose Other Than to Qualify for ALTCS Benefits

Your written statement must explain the purpose for transferring the asset. If you had some other purpose for transferring the asset, but any expectation of establishing eligibility could reasonable be inferred to be a factor in your decision to transfer the item, the presumption that the transfer was exclusively for some other purpose is not successfully rebutted.

The presence of one or more of the following factors may be considered justification for waiving the penalty period resulting from a transfer with uncompensated value:

- The occurrence, after the transfer, of one of the following:
  - ⇒ Traumatic onset (e.g., traffic accident) of disability or blindness;
  - ⇒ Diagnosis of previously undetected disabling condition;
  - ⇒ Unexpected loss of other income or resources which, if you still possessed the lost asset, would have precluded eligibility.

This information is provided to you by Arizona Heath Care Cost Containment System in an effort to assist you in understanding the Arizona Long-Term Care (Medicaid) policies regarding certain topics that often cause confusion for applicants and representatives. The topic covered in this brochure is Transfers. This brochure covers the general information concerning this topic, but may not cover specific details. The information presented is not intended as legal advice to you. If you want legal assistance, consult your attorney.

This information provided in this brochure concerning transfers is based on Section 1917(c) of the Social Security Act, Section 1924 of the Social Security Act, and Section 3250 of the Federal State Medical Manual.

GENERAL INFORMATION

AHCCCS evaluates all transfers, including sales, trades, exchanges, and conversions, to determine if you got something of equal value in return. We refer to this as “adequate compensation”. If you did not get something of equal value in return, we refer to this as “uncompensated value”. If you are institutionalized, as defined later in this brochure, and you or your spouse transfer property during or after the look-back period without receiving adequate compensation, you may be ineligible for long-term care services. If all other eligibility factors are met, you may be approved for acute care benefits.

The transfer provisions in this brochure apply to transfers made by you, your spouse, or any person with legal authority to act on behalf of, or acting at the request of you or your spouse (including a court or administrative body).

These transfer provisions apply only to institutionalized individuals, including all individuals residing in a medical institution or receiving or intending to receive home-and community-based services (HCBS).

The transfer provisions apply to the transfer of any asset (either resources or income).

A transfer occurs when there is a change in ownership; the former owner's total income or resources have a different value and/or take on a different form. The asset is no longer the former owner's to the degree it was prior to the transfer.

A transfer may occur through any of the following types of transactions:

- Sale or purchase of property;

- Trade or exchange (conversion) of one asset for another, including purchase;

- Giving away a resource or income;

- Assigning income to another individual or entity;

- Any action taken which causes income or resource to not be received by you or your spouse. This includes income or resources which you or your spouse is entitled to but do not receive because of an action by you or your spouse, or anyone acting on your behalf (including a court or administrative body);

  Examples of actions which would cause income or resources not to be received include irrevocably waiving pension income, waiving or refusing an inheritance, and refusal to take legal action to obtain a court ordered payment that is not being paid (e.g., child support or alimony).

- Any action taken by either you or your spouse, or by any other person, which reduces or eliminates your ownership or control of either income or resources which are held in common by you or your spouse with another person or persons. Placing another person's name on a financial account as a joint owner does not by itself constitute a transfer since the account is still considered to belong to you. However, when the other joint owner withdraws funds from the account he is removing the funds from your control, which is a transfer of assets.

  The transfer provisions contained in this brochure can be waived if ineligibility for long-term care services (penalty period) would create an undue hardship.

NOTIFICATION OF UNCOMPENSATED VALUE

In any case where uncompensated value is determined to exist, you will be notified of the uncompensated value amount and the effect this has on your eligibility for ALTCS. You will also be given an opportunity to rebut the proposed penalty period, but your rebuttal must be received within 15 days of receipt of the written notice advising you of the uncompensated value. If you respond within the 15-day period, the application can be processed as soon as all pertinent evidence is received and a decision is made as to whether your rebuttal is successful. If you do not respond within 15 days, AHCCCS will assume that you do not wish to rebut the proposed penalty period resulting from a transfer without receipt of adequate compensation.

REBUTTAL OF PERIOD PENALTY

A penalty period may be waived if you successfully demonstrate one of the following:

- That you intended to dispose of the asset for adequate compensation.

- The income or resources were transferred exclusively for a purpose other than to qualify for ALTCS benefits. You must present convincing evidence as to the specific purpose for which the resource or income was transferred, as well as the reason the transfer in question was necessary (that is, why there was no alternative but to transfer the resource or income for less than current market value).

- The income or resources transferred for less than current market value have been returned to you.

If you wish to rebut the proposed penalty period, you must submit a statement explaining the basis for your rebuttal.

In addition, you must present convincing evidence that the transfer provisions should not be applied. The burden of providing convincing evidence that the penalty period should not be assessed rests with you.

> **EXAMPLE:**
> You transfer an asset without receiving adequate compensation in February. The penalty period is determined to be 4.5 months (from February to May, with a carry-over of $2,000 remaining in June). In June, you transfer another asset valued at $10,000, again without receiving adequate compensation. In this situation, the penalty periods overlap. The carry-over from the first transfer ($2,000) is added to the total uncompensated value. This is then divided by the private-pay rate for nursing home care to determine the new penalty period.

⇒ If a transfer of income countable resources, or home property occurs during a period when you are already ineligible for long-term care services (penalty period) because of a transfer, the new penalty period will be computed as explained above.

4. Change in Penalty Period

Once the penalty period of has been established, it will not change unless the transferred asset is returned to you or your spouse also becomes eligible or loses eligibility.

- When the transferred asset is returned, the penalty period will terminate the month in which the transferred asset was returned, provided there is no uncompensated value remaining from another transfer. The returned income or resource is evaluated as of the month of return. You must provide evidence of the return (e.g., in the case of real estate, a copy of the property deed showing you as owner, registered after the initial transfer).

- If you have been assessed a penalty period and your spouse later applied and is eligible except for the transfer, the remaining penalty period is equally divided between both of you.

- When a penalty period has been equally divided between you and your spouse and one of you dies or otherwise becomes ineligible, the remaining penalty periods will be combined and then assessed against the surviving spouse's eligibility. This will extend the penalty period of the surviving spouse.

> **EXAMPLE:**
> Because of a transfer without receipt of adequate compensation, your spouse was assessed a ten-month penalty period (October through July). Your spouse died in February. In April you are admitted to a nursing facility and apply for ALTCS benefits. You would "inherit" the balance of your spouse's penalty period and would be ineligible for long-term care services from April through July.

DEFINITIONS

The following definitions are used in the policy related to transfers:

ASSET

All income and resources you and your spouse have an ownership interest in. This includes assets to which you (or your spouse) are entitled or would be entitled if you had not taken actions to avoid receiving them.

CARRY-OVER

The fraction of an ineligible month remaining as a result of dividing the total uncompensated value of all assets transferred during a calendar month by the average private-pay rate in your community at the time you apply for ALTCS benefits.

COMPENSATION

All money, real or personal property, food, shelter, or services you received at or after the time of transfer in exchange for the transferred item. Compensation may include items you received prior to the transfer but only if they were provided pursuant to a binding contract to provide such items in exchange for payment and the transfer constitutes all, or part of, such payment. Compensation does not include payments which are specifically identified as interest. Compensation received for a transferred asset must be tangible and have intrinsic value. A transfer for "love and consideration" is not recognized as compensation.

CONVERSION

The sale, trade, replacement or exchange of non business property is never counted as income, it is just a change in resources (e.g., stocks for cash).

CURRENT MARKET VALUE

An estimate of the prevailing price of an asset if sold on the open market at the time it was actually transferred or the actual dollar value of the income at the time it was transferred. We assume the tax assessors full cash value is the current market value for real property.

INSTITUTIONALIZED INDIVIDUAL

A person residing in a medical institution or receiving or intending to receive home- and community-based services (HCBS).

LOOK-BACK DATE

The look-back date is the earliest date on which a penalty for transferring assets (income and/or resources) for less than fair market value can be assessed. Penalties are assessed for transfers which take place without adequate compensation on or after the look-back date.

There are three look-back dates:

- 36 months for general asset transfers made before July 1, 2006;
- 60 months for transfers involving trusts; and
- 60 months for general asset transfers made on or after July 1, 2006.*****

*** NOTE:** The look-back date for general transfer of assets made on or after July 1, 2006 is 60 months. However, the phase-in of the 60 months for the general transfer of assets made on or after July 1, 2006 will not begin until July 1, 2009. AHCCCS staff will not actually be looking back 60 months for all transfers until July 1, 2011.

LOOK-BACK PERIOD

The look-back period is the period which begins with the look-back date and ends with the date the individual is both institutionalized and applies for ALTCS benefits.

3. Determining Penalty Period for Multiple Transfers

Multiple transfers may occur before July 1, 2006, on or after July 1, 2006 or a combination of both.

A. Penalty Periods Do Not Overlap

When multiple transfers are made in such a way that the penalty periods for each transfer do not overlap, each transfer is treated independently, with its own separate penalty period. If there is a carry-over, the penalty period will be rounded down to the end of the preceding month (fractions of an ineligible month are dropped).

EXAMPLE:
You transferred $15,000 cash without receiving adequate compensation in January. If the average private-pay rate at the time of your institutionalization and application for ALTCS benefits was $4,500, the penalty period is determined to be 3.3 months (from January through March) with a carry-over of $1,500 for April. You then transfer an additional amount of case in May. The penalty periods do not overlap. Therefore, the carry-over of $1,500 in April, resulting from the first transfer, is dropped.

B. Penalty Periods that Overlap

Penalty periods are considered to overlap when there is no period of eligibility separating the periods of ineligibility or when a carry-over from one transfer exists in the month the penalty periods for a second (or subsequent) transfer is to begin. Where multiple transfers are made in such a way that the penalty periods would overlap, the following applies:

- ⇒ Any carry-over uncompensated value remaining from the first transfer is added to the total uncompensated value of the next transfer. This amount is divided by the average private-pay rate in the community in which you are institutionalized at the time you apply for ALTCS benefits. The new penalty period resulting from the second transfer is added to the penalty resulting from the first transfer.
- ⇒ When the calculation of the penalty period for the last transfer to be considered results in a carry-over, the penalty period is rounded down to the end of the preceding month (fractions of a month are dropped).

2. Evaluation of Multiple Month's Transfers at Less than the Private Pay Rate

A. Transfers Made Before July 1, 2006

When the amount of uncompensated value from all transfers made during an individual month is less than the average cost for a private-pay patient for nursing facility services in the area in which your nursing home is situated, no penalty period will be assessed (unless there is a carry-over from an earlier transfer to consider).

EXAMPLE:
You made the following transfers:
In April 2006 - $3,000
In May 2006 - $3,000
In June 2006 - $3,000

The private pay rate at the time of your institutionalization and application for ALTCS is $4,500. No penalty period is assessed because the transfer made each month was below the private pay rate of $4,500.

B. Transfers Made On or After July 1, 2006

All uncompensated transfers made on or after July 1, 2006 are lumped together in determining one penalty period, even if the transfers are less than the private-pay rate and is applied beginning with the month of transfer or the first month of eligibility based on an approved application, whichever is later.

EXAMPLE:
You are placed in a nursing facility in Phoenix on July 3, 2006 and applied for ATCS on September 19, 2006. You have made the following transfers without receiving adequate compensation:

$3,000 – in July 2006
$3,000 in August 2006
$3,000 in September 2006
$9,000 total

September 2006 is the first month that you are otherwise eligible for ALTCS except for the transfers. The average monthly cost to a private-pay patient in September 2006 (the month of application) in Phoenix is $4,500. The total amount of transfer (without receipt of adequate compensation) is $9,000. $9,000 divided by the average monthly private pay rate ($4,500) equals 2 months of ineligibility for long-term care services (penalty period) beginning on September 1, 2006 (the first month you are otherwise eligible for ALTCS) and ending on October 31, 2006.

PENALTY PERIOD

The penalty period means the period the person is ineligible for long term care services due to uncompensated transfer(s). The penalty period is determined by dividing the total uncompensated value of all assets you or your spouse transferred by the average private-pay rate in effect in the community in which you are institutionalized at the time you apply for ALTCS benefits.

If all other eligibility factors are met except for the transfer, the person may receive ALTCS acute benefits during the penalty period.

RESOURCES

Items of real or personal property, including cash, that you (or your spouse) own which may be used to meet your needs for food, clothing, or shelter.

TRANSFER

To convey (by sale, trade, exchange, conversion, donation, or assignment) the legal possession of income or resources to another person or entity.

UNCOMPENSATED VALUE

The difference between the Current Market Value (CMV) at the time of transfer (less any outstanding loans, mortgages, or other legal encumbrances on the resource) or the actual dollar value of the income, and the value of the compensation received as a result of the transfer.

TRANSFERS WHICH AFFECT ELIGIBILITY

Except for the transfers listed in the section below, the transfer of income or a resource without receipt of equal compensation usually affects your eligibility for long-term care services. However, you may be eligible for acute care services if all other eligibility factors are met.

TRANSFERS WHICH DO NOT AFFECT ELIGIBILITY

The transfer provisions do not apply in the following situations:

- Transfer of assets that you or your spouse do not own.
- Income or a resource that is used to make a purchase at current market value (for example, you make burial arrangements with a funeral director and place the funds in a burial fund).

- Income or a resource that is used to repay your valid debt.
- Valid loans, promissory notes, and contracts when you are the lender.
- Placing another person's name on a financial account as a joint owner (since the account is still considered to belong to you).
- Purchase of an irrevocable, immediate annuity provided that annuity:

  ⇒ Names AHCCCS as beneficiary,
  ⇒ Is purchased from a commercial source,
  ⇒ Provides for equal monthly payments,
  ⇒ Is currently issuing payments, and
  ⇒ Provides for a full return of principal and interest within your life expectancy.

- Removal of your name from a joint financial account when you successfully demonstrate the funds in the account did not belong to you.
- The conversion, sale, or exchange of an asset for another asset of equal value. However, the newly acquired item is a resource subject to all the resource criteria for continuing eligibility.
- The conversion, sale, or exchange of timber, minerals, or other like items which are part of the land. The proceeds from such conversion, sale or exchange are treated as income.
- The transfer of an otherwise excluded resource. Exceptions (transfers which WILL be considered) include: (1) home replacement, (2) the transfer of home property, or (3) placing your home in a trust.
- The transfer of your home to any of the individuals listed below:

  ⇒ Your spouse.
  ⇒ Your child who is under the age of 21 years.
  ⇒ Your child, of any age, who is blind or permanently and totally disabled (using the same disability criteria used by the Social Security Administration).
  ⇒ Your child who resided in your home for a period of at least two years immediately before the date of your institutionalization and who provided care to you which permitted you to reside at home rather than in a medical institution.
  ⇒ Your sibling who has an equity interest in the home and who resided in the home with you for a period of at least one year immediately before your date of institutionalization.

The duration of the penalty period is dependent on the amount of the uncompensated transfer(s).

The penalty period begin date varies depending on whether the transfer occurred before July 1, 2006 or on or after July 1, 2006, or a combination of transfers made before July 1, 2006 and on or after July 1, 2006.

1. Penalty Period Begin Date

A. Transfers Made Before July 1, 2006

When income, countable resources, or home property is transferred without receipt of adequate compensation, the penalty period begins with the first day of the first month during which income or resources were transferred for less than adequate compensation.

EXAMPLE:
On May 1, 2006, you gave your home to your nephew without receiving any compensation. The current market value of the home is $100,000. If the average private-pay rate at the time you apply for ALTCS is $4,500, a period is assessed at 1 year and 10 months. The penalty period begins on May 1, 2006 and ends February 29, 2008.

B. Transfers Made On or After July 1, 2006

When income, countable resources, or home property is transferred without receipt of adequate compensation, the penalty period begins in the month during which income or resources were transferred for less than adequate compensation or the first month you are eligible for ALTCS based on an approved application, whichever is later.

EXAMPLE:
On August 2, 2006 you gave your home to your nephew without receiving any compensation. The current market value of the home is $100,000. You are residing in a nursing facility located in Maricopa County and you apply for ALTCS benefits on October 1, 2006. If the average private-pay rate at the time you apply for ALTCS is $4,500, a period is assessed at 1 year and 10 months. The penalty period begins on October 1, 2006 and ends July 31, 2008.

COMPENSATION IN THE FORM OF ASSUMPTION OF A LEGAL DEBT

The value of compensation in the form of assumption of your legal debt is based on the outstanding principal. Interest payments are not considered compensation. You must show the dollar amount of the outstanding principal and that the debt has been legally assumed. Although an individual may legally assume your debt, the outstanding principal owed on the transferred asset may not equal the asset's fair market value (i.e., there may still be uncompensated value).

PERIOD OF INELIGIBILITY FOR LONG-TERM CARE SERVICES (PENALTY PERIOD) – GENERAL INFORMATION

The transfer of a countable resources, income, or home property for less than current market value (i.e., adequate compensation was not received) may result in a period of ineligibility for long-term care benefits, hereafter referred to as the penalty period, when the transfer occurs during or after the look-back period.

Transfers with uncompensated value (UV) never result in the denial or discontinuance of ALTCS eligibility. Even though transfers may result in the ineligibility for long term care services, you may receive medical services under ALTCS Acute Care.

There is no limit on the duration of the penalty period.

Calculation Method: The penalty period is determined by dividing the total uncompensated value of all assets transferred by the average private-pay rate in the community in which you are institutionalized at the time you apply for ALTCS benefits.

EXAMPLE:
You gave your home away to your cousin without receiving any compensation. The current market value of the home was $200,000. If the average private-pay rate at the time you apply for ALTCS is $4,500, the penalty period is equal to 3 years and 8 months with a carry over of $2,000.

When a calculation of the mandatory penalty period results in a carry-over, the days will be rounded down to the end of the preceding month (fractions of an ineligible month are dropped), unless multiple transfers with overlapping or contiguous penalty periods are involved.

For married couples, the penalty period resulting from a transfer with uncompensated value is imposed upon the institutionalized spouse, without respect to which spouse actually made the transfer.

- The income or countable resource (other than home property) was transferred:
  - ⇒ To your spouse or to another individual for the sole benefit of your spouse.
  - ⇒ From your spouse to another individual for the sole benefit of your spouse.
  - ⇒ To a trust established after August 10, 1993, solely for the benefit of your son or daughter, regardless of age, who is blind or permanently disabled (using the same disability criteria used by the Social Security Administration).
  - ⇒ To a trust established after August 10, 1993, solely for a disabled individual (using the same disability criteria used by the Social Security Administration) who is under 65 years of age at the time the trust was created.

  NOTE:
  When an asset is transferred for the sole benefit of your spouse, child, or a disabled individual, the transfer must be accomplished by a written instrument of transfer (for example, a trust document, quit-claim deed, etc.) which legally binds the parties to a specified course of action and which clearly sets out the conditions under which the transfer was made and states who can benefit from the transfer. A transfer without such a document cannot be considered to have been made for the sole benefit of your spouse, child, or disabled individual, since there is no way to establish, without a document, that only the specified individuals will benefit from the transfer.

- Transfers occurring outside the look-back period unless a penalty period that was previously determined has not yet expired.

- You successfully rebut the assumption that the transfer resulted in uncompensated value or the Director of AHCCCS determines that a denial of eligibility for long-term care benefits would create an undue hardship for you.

DETERMINING COMPENSATION RECEIVED FOR TRANSFERS

The value of the compensation you receive for a transferred resource or transferred income will determine whether the transfer affects your eligibility. If equal compensation has been received, the transfer will not affect your eligibility. If there is uncompensated value (less than equal value) a period of ineligibility for long-term care services (penalty period) may result.

You will be given the opportunity to present convincing evidence that you received equal value or that the transfer provisions should not be applied.

You must provide verification of the value of all items provided to you in exchange for the transferred resource or income. Canceled checks, drafts, money orders, etc. in and of themselves, do not always verify an expenditure on your behalf. For example, a receipt or bill verifying the reason for writing the check should be submitted as corroboration that the check was written to provide compensation to you or on your behalf in exchange for the item transferred.

EXAMPLES:

You and your daughter provide statements that your daughter and her husband maintained and repaired your house during the two years prior to the house being transferred to your daughter. Repairs and maintenance include the installation of a new roof, air conditioner, water heater, etc. Receipts for the value of these items must be submitted to your Eligibility Interviewer.

You would receive compensation for the transfer of income to a trust if the amount paid from the trust to or for your benefit in the same calendar month equals or exceeds the amount of income transferred to the trust.

BINDING CONTRACT

Compensation may include items received prior to the transfer only when provided according to the terms of a binding contract. There must have been a clear expectation for payment.

1. **Written Contract**

   When compensation is received as a result of a written contract, you must submit a copy of the contract and must include verification of the value of the items provided as compensation.

2. **Oral Contract**

   An oral contract is only recognized as valid for one year. When compensation is received as result of an oral contract, you must complete a Transfer of Resource Ownership & Compensation Verification form. This same form must also be completed and signed by the person(s) who provided the compensation prior to the transfer. You must also submit any pertinent documents which will corroborate the written statements completed by either you or the person who provided the prior compensation. Corroborating documents may include but are not limited to the following:

   ⇒ Legal documents.
   ⇒ Statements from witness to the agreement.
   ⇒ Relevant correspondence.

COMPENSATION IN THE FORM OF CASH

Compensation in the form of cash is the total amount paid or agreed to be paid (if greater) in exchange for a resource. You must submit documentary evidence (e.g., bill of sale, contract, or receipt) to establish the amount of cash compensation received.

COMPENSATION IN THE FORM OF REAL OR PERSONAL PROPERTY

Compensation in the form of real or personal property is valued according to the equity value (current market value less legal encumbrances) of that property at the time of transfer (or notarized contract for sale, if earlier).

COMPENSATION IN THE FORM OF SERVICES

The value of services provided to you in exchange for a resource or income is based on the type, frequency and duration of such services. You must submit evidence of the type, frequency and duration of the service provided.